

FOR WIRE TRANSMISSION: 8:30 A.M. EST, THURSDAY, FEBRUARY 1, 2001

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Recorded message: 606-5303

BEA 01-03

PERSONAL INCOME AND OUTLAYS: DECEMBER 2000

Personal income increased \$36.6 billion, or 0.4 percent, and disposable personal income (DPI) increased \$28.8 billion, or 0.4 percent, in December, according to the Bureau of Economic Analysis. Personal consumption expenditures (PCE) increased \$19.4 billion, or 0.3 percent. In November, personal income increased \$17.8 billion, or 0.2 percent, DPI increased \$8.4 billion, or 0.1 percent, and PCE increased \$21.9 billion, or 0.3 percent, based on revised estimates.

	Aug.	Sept. (Percent change	2000 Oct. from preceding month)	Nov.	Dec.
Personal income, current dollars	0.3	1.1	-0.2	0.2	0.4
Disposable personal income:					
Current dollars	.2	1.2	-.4	.1	.4
Chained (1996) dollars	.3	.8	-.5	-.1	.2
Personal consumption expenditures:					
Current dollars	.4	.8	.3	.3	.3
Chained (1996) dollars	.5	.5	.1	.1	.1

Wages and salaries

Private wage and salary disbursements increased \$7.1 billion in December, compared with an increase of \$16.7 billion in November. Goods-producing industries' payrolls decreased \$8.2 billion, in contrast to an increase of \$3.9 billion; manufacturing payrolls decreased \$6.5 billion, in contrast to an increase of \$1.6 billion. Distributive industries' payrolls increased \$5.3 billion, compared with an increase of \$7.8 billion. Service industries' payrolls increased \$9.9 billion, compared with an increase of \$5.0 billion. Government wage and salary disbursements increased \$3.3 billion, in contrast to a decrease of \$0.1 billion.

Other personal income

Proprietors' income increased \$6.1 billion in December, in contrast to a decrease of \$0.6 billion in November. Farm proprietors' income increased \$6.2 billion, in contrast to a decrease of \$1.4 billion. The changes in farm proprietors' income reflect the pattern of specially authorized federal farm subsidy payments, which were \$5.5 billion (at an annual rate) in December, \$0.2 billion in November, and \$3.1 billion in October. Nonfarm proprietors' income decreased \$0.1 billion in December, in contrast to an increase of \$0.8 billion in November.

Transfer payments increased \$11.3 billion in December, in contrast to a decrease of \$3.8 billion in November. The December increase in transfer payments reflected, in part, retroactive social security benefit payments of \$3.3 billion at an annual rate, resulting from a recalculation of the earnings base underlying the benefits for recent retirees.

Personal interest income increased \$1.5 billion in December, compared with an increase of \$1.2 billion in November. Personal dividend income increased \$2.7 billion, compared with an increase of \$2.4 billion. Rental income of persons increased \$2.8 billion, compared with an increase of \$1.0 billion.

Personal contributions for social insurance -- a subtraction in calculating personal income -- increased \$0.7 billion in December, compared with an increase of \$1.1 billion in November.

Personal taxes and disposable personal income

Personal tax and nontax payments increased \$7.9 billion in December, compared with an increase of \$9.2 billion in November. Disposable personal income (DPI) -- personal income less personal tax and nontax payments -- increased \$28.8 billion, or 0.4 percent, in December, compared with an increase of \$8.4 billion, or 0.1 percent, in November.

Personal outlays and personal saving

Personal outlays -- PCE, interest paid by persons, and personal transfer payments to the rest of the world (net) -- increased \$20.5 billion in December, compared with an increase of \$23.8 billion in November. PCE increased \$19.4 billion, compared with an increase of \$21.9 billion.

Personal saving -- DPI less personal outlays -- was a negative \$57.3 billion in December, compared with a negative \$65.5 billion in November. Saving from current income may be near zero or negative when outlays are financed by borrowing (including through credit cards or home equity loans), by selling investments or other assets, or by using savings from previous periods. Personal saving as a percentage of disposable personal income was a negative 0.8 percent in December, compared with a negative 0.9 percent in November.

Real DPI and real PCE

Real DPI -- DPI adjusted to remove price changes -- increased 0.2 percent in December, in contrast to a decrease of 0.1 percent in November.

Real PCE -- PCE adjusted to remove price changes -- increased 0.1 percent in December, the same increase as in November. Purchases of durable goods decreased 1.9 percent in December, compared with a decrease of 1.0 percent in November. Purchases of motor vehicles and parts accounted for most of the December decrease and more than accounted for the November decrease. Purchases of nondurable goods increased 0.1 percent in December, in contrast to a decrease of 0.3 percent in November. Purchases of services increased 0.5 percent in December, the same increase as in November.

Revisions

Estimates have been revised for October and November. Changes in personal income, current-dollar and chained (1996) dollar DPI, and current-dollar and chained (1996) dollar PCE for October and November -- revised and as published in last month's release -- are shown below.

	Change from preceding month							
	October				November			
	Previous	Revised	Previous	Revised	Previous	Revised	Previous	Revised
	(Dollars)		(Percent)		(Dollars)		(Percent)	
Personal Income:								
Current dollars...	-10.3	-14.9	-0.1	-0.2	30.0	17.8	0.4	0.2
Disposable personal income:								
Current dollars...	-23.4	-27.1	-.3	-.4	20.6	8.4	.3	.1
Chained (1996) dollars...	-32.3	-35.6	-.5	-.5	5.6	-6.0	.1	-.1
Personal consumption expenditures:								
Current dollars...	24.2	18.3	.4	.3	24.1	21.9	.3	.3
Chained (1996) dollars...	12.3	7.0	.2	.1	9.2	6.7	.1	.1

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Next release -- Personal Income and Outlays for January will be released on March 1, 2001, at 8:30 A.M. EST.

Table 1.-Personal Income
[Billions of dollars; months seasonally adjusted at annual rates]

	1999	2000	Jul 00	Aug 00	Sep 00	Oct 00/r/	Nov 00/r/	Dec 00/p/
Personal income.....	7,789.6	8,281.7	8,300.0	8,326.5	8,420.6	8,405.7	8,423.5	8,460.1
Wage and salary disbursements....	4,470.0	4,769.7	4,789.1	4,797.8	4,827.8	4,859.0	4,875.6	4,885.9
Private industries.....	3,745.6	4,008.7	4,025.3	4,032.5	4,060.8	4,091.3	4,108.0	4,115.1
Goods-producing industries....	1,089.2	1,153.2	1,162.2	1,158.8	1,163.2	1,173.4	1,177.3	1,169.1
Manufacturing.....	782.4	816.0	824.0	819.7	820.3	827.8	829.4	822.9
Distributive industries.....	1,020.3	1,107.1	1,112.1	1,113.2	1,129.0	1,136.5	1,144.3	1,149.6
Service industries.....	1,636.0	1,748.5	1,751.0	1,760.5	1,768.6	1,781.4	1,786.4	1,796.3
Government.....	724.4	761.0	763.8	765.3	767.0	767.7	767.6	770.9
Other labor income.....	501.0	524.0	525.1	527.6	530.0	532.0	533.9	536.3
Proprietors' income with inventory valuation and capital consumption adjustments.....	663.5	710.5	706.0	712.3	756.0	712.2	711.6	717.7
Farm.....	25.3	22.6	17.5	14.7	62.9	16.9	15.5	21.7
Nonfarm.....	638.2	687.9	688.5	697.7	693.1	695.3	696.1	696.0
Rental income of persons with capital consumption adjustment...	143.4	140.4	136.0	134.5	144.0	135.3	136.3	139.1
Personal dividend income.....	370.3	396.6	397.2	399.6	402.2	404.7	407.1	409.8
Personal interest income.....	963.7	1,033.7	1,040.0	1,042.4	1,046.1	1,047.9	1,049.1	1,050.6
Transfer payments to persons.....	1,016.2	1,067.5	1,068.7	1,074.9	1,079.1	1,081.5	1,077.7	1,089.0
Old-age, survivors, disability, and health insurance benefits..	588.0	622.3	623.5	627.2	630.9	629.0	626.4	634.5
Government unemployment insurance benefits.....	20.3	20.0	19.8	20.0	20.1	20.3	20.5	20.6
Other.....	407.9	425.2	425.4	427.8	428.1	432.3	430.8	434.0
Less: Personal contributions for social insurance.....	338.5	360.7	362.1	362.6	364.6	366.7	367.8	368.5

p Preliminary.
r Revised.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 2.-The Disposition of Personal Income
[Billions of dollars]

	1999	2000	Jul 00	Aug 00	Sep 00	Oct 00/r/	Nov 00/r/	Dec 00/p/
Personal income.....	7,789.6	8,281.7	8,300.0	8,326.5	8,420.6	8,405.7	8,423.5	8,460.1
Less: Personal tax and nontax payments.....	1,152.0	1,291.9	1,293.6	1,308.7	1,322.0	1,334.3	1,343.5	1,351.4
Equals: Disposable personal income..	6,637.7	6,989.8	7,006.4	7,017.8	7,098.6	7,071.5	7,079.9	7,108.7
Less: Personal outlays.....	6,490.1	6,999.8	7,017.3	7,045.5	7,101.3	7,121.7	7,145.5	7,166.0
Personal consumption expenditures.	6,268.7	6,758.6	6,775.2	6,801.2	6,856.2	6,874.5	6,896.4	6,915.8
Interest paid by persons.....	194.8	212.1	212.7	214.8	215.6	217.5	219.4	220.5
Personal transfer payments to the rest of the world (net).....	26.6	29.0	29.5	29.5	29.5	29.7	29.7	29.7
Equals: Personal saving.....	147.6	-10.0	-10.9	-27.7	-2.7	-50.3	-65.5	-57.3
Addenda:								
Disposable personal income:								
Chained (1996) dollars\1\.....	6,331.0	6,510.0	6,513.2	6,531.9	6,585.9	6,550.3	6,544.3	6,559.2
Per capita:								
Current dollars.....	24,314	25,378	25,432	25,451	25,722	25,604	25,616	25,702
Chained (1996) dollars.....	23,191	23,636	23,642	23,689	23,864	23,717	23,678	23,715
Population (thousands).....	272,996	275,423	275,496	275,738	275,970	276,191	276,389	276,585
Personal saving as a percentage of disposable personal income....	2.2	-.1	-.2	-.4	.0	-.7	-.9	-.8

p Preliminary.
r Revised.

1. Disposable personal income in chained (1996) dollars equals the current-dollar figure divided by the implicit price deflator for personal consumption expenditures.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 3.-Personal Income and Its Disposition, Change from Preceding Period
[Billions of dollars]

	1999	2000	Jul 00	Aug 00	Sep 00	Oct 00/r/	Nov 00/r/	Dec 00/p/
Personal income.....	398.6	492.1	20.5	26.5	94.1	-14.9	17.8	36.6
Wage and salary disbursements....	279.3	299.7	25.6	8.7	30.0	31.2	16.6	10.3
Private industries.....	247.6	263.1	21.9	7.2	28.3	30.5	16.7	7.1
Goods-producing industries....	50.6	64.0	11.4	-3.4	4.4	10.2	3.9	-8.2
Manufacturing.....	25.8	33.6	7.3	-4.3	.6	7.5	1.6	-6.5
Distributive industries.....	71.2	86.8	6.6	1.1	15.8	7.5	7.8	5.3
Service industries.....	125.7	112.5	3.8	9.5	8.1	12.8	5.0	9.9
Government.....	31.7	36.6	3.7	1.5	1.7	.7	-.1	3.3
Other labor income.....	15.5	23.0	2.6	2.5	2.4	2.0	1.9	2.4
Proprietors' income with inventory valuation and capital consumption adjustments.....	42.8	47.0	-10.9	6.3	43.7	-43.8	-.6	6.1
Farm.....	-.1	-2.7	-6.2	-2.8	48.2	-46.0	-1.4	6.2
Nonfarm.....	43.0	49.7	-4.7	9.2	-4.6	2.2	.8	-.1
Rental income of persons with capital consumption adjustment...	8.0	-3.0	-2.1	-1.5	9.5	-8.7	1.0	2.8
Personal dividend income.....	19.2	26.3	2.4	2.4	2.6	2.5	2.4	2.7
Personal interest income.....	22.9	70.0	3.2	2.4	3.7	1.8	1.2	1.5
Transfer payments to persons.....	33.2	51.3	1.4	6.2	4.2	2.4	-3.8	11.3
Old-age, survivors, disability, and health insurance benefits..	10.0	34.3	-1.5	3.7	3.7	-1.9	-2.6	8.1
Government unemployment insurance benefits.....	.8	-.3	.4	.2	.1	.2	.2	.1
Other.....	22.5	17.3	2.5	2.4	.3	4.2	-1.5	3.2
Less: Personal contributions for social insurance.....	22.3	22.2	1.7	.5	2.0	2.1	1.1	.7
Less: Personal tax and nontax payments.....	81.1	139.9	5.7	15.1	13.3	12.3	9.2	7.9
Equals: Disposable personal income..	317.7	352.1	14.9	11.4	80.8	-27.1	8.4	28.8
Less: Personal outlays.....	435.4	509.7	44.4	28.2	55.8	20.4	23.8	20.5
Personal consumption expenditures.	417.8	489.9	42.1	26.0	55.0	18.3	21.9	19.4
Interest paid by persons.....	15.0	17.3	1.3	2.1	.8	1.9	1.9	1.1
Personal transfer payments to the rest of the world (net).....	2.6	2.4	1.2	.0	.0	.2	.0	.0
Equals: Personal saving.....	-117.8	-157.6	-29.6	-16.8	25.0	-47.6	-15.2	8.2
Addendum: Disposable personal income: chained (1996) dollars\1\.....	196.9	179.0	-2.4	18.7	54.0	-35.6	-6.0	14.9

p Preliminary.

r Revised.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4-Personal Consumption Expenditures by Major Type of Product
[Billions of dollars; months seasonally adjusted at annual rates]

	1999	2000	Jul 00	Aug 00	Sep 00	Oct 00/r/	Nov 00/r/	Dec 00/p/
Billions of current dollars								
Personal consumption expenditures...	6,268.7	6,758.6	6,775.2	6,801.2	6,856.2	6,874.5	6,896.4	6,915.8
Durable goods.....	761.3	820.4	817.3	821.1	835.8	826.2	819.0	803.5
Nondurable goods.....	1,845.5	2,009.5	2,023.9	2,025.7	2,044.8	2,047.2	2,044.4	2,043.7
Services.....	3,661.9	3,928.7	3,934.0	3,954.3	3,975.6	4,001.0	4,033.0	4,068.6
Billions of chained (1996) dollars								
Personal consumption expenditures...	5,978.8	6,294.6	6,298.3	6,330.3	6,360.9	6,367.9	6,374.6	6,381.2
Durable goods.....	817.8	895.9	892.8	900.2	916.5	906.9	898.1	881.4
Nondurable goods.....	1,779.4	1,868.7	1,877.0	1,885.4	1,885.4	1,889.1	1,884.2	1,885.6
Services.....	3,390.8	3,544.6	3,542.7	3,559.4	3,575.8	3,586.7	3,605.2	3,623.9
Chain-type price indexes (1996=100)								
Personal consumption expenditures...	104.85	107.38	107.58	107.45	107.80	107.97	108.20	108.39
Durable goods.....	93.09	91.56	91.53	91.20	91.18	91.09	91.18	91.15
Nondurable goods.....	103.71	107.55	107.84	107.46	108.48	108.39	108.52	108.40
Services.....	107.99	110.84	111.05	111.10	111.19	111.56	111.88	112.28
Addendum:								
Personal consumption expenditures less food and energy.....	105.11	106.82	106.88	106.87	107.03	107.22	107.48	107.64
Change from preceding period								
Billions of current dollars								
Personal consumption expenditures...	417.8	489.9	42.1	26.0	55.0	18.3	21.9	19.4
Durable goods.....	67.4	59.1	5.8	3.8	14.7	-9.6	-7.2	-15.5
Nondurable goods.....	137.9	164.0	14.8	1.8	19.1	2.4	-2.8	-.7
Services.....	212.6	266.8	21.5	20.3	21.3	25.4	32.0	35.6
Billions of chained (1996) dollars								
Personal consumption expenditures...	300.1	315.8	23.5	32.0	30.6	7.0	6.7	6.6
Durable goods.....	90.5	78.1	7.3	7.4	16.3	-9.6	-8.8	-16.7
Nondurable goods.....	94.6	89.3	11.0	8.4	.0	3.7	-4.9	1.4
Services.....	121.4	153.8	6.0	16.7	16.4	10.9	18.5	18.7

p Preliminary.

r Revised.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 5.-Percent Change From Preceding Period in Selected Series

	1999	2000	Jul 00	Aug 00	Sep 00	Oct 00/r/	Nov 00/r/	Dec 00/p/
Based on current dollars								
Personal income.....	5.4	6.3	.2	.3	1.1	-.2	.2	.4
Disposable personal income.....	5.0	5.3	.2	.2	1.2	-.4	.1	.4
Personal consumption expenditures...	7.1	7.8	.6	.4	.8	.3	.3	.3
Durable goods.....	9.7	7.8	.7	.5	1.8	-1.1	-.9	-1.9
Nondurable goods.....	8.1	8.9	.7	.1	.9	.1	-.1	.0
Services.....	6.2	7.3	.5	.5	.5	.6	.8	.9
Based on chained (1996) dollars								
Disposable personal income.....	3.2	2.8	.0	.3	.8	-.5	-.1	.2
Personal consumption expenditures...	5.3	5.3	.4	.5	.5	.1	.1	.1
Durable goods.....	12.4	9.6	.8	.8	1.8	-1.0	-1.0	-1.9
Nondurable goods.....	5.6	5.0	.6	.5	.0	.2	-.3	.1
Services.....	3.7	4.5	.2	.5	.5	.3	.5	.5

p Preliminary.

r Revised.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.